

MANUFACTURING EXTENSION PARTNERSHIP

Success Stories from the Field

Touchstone Inc.

Tennessee Manufacturing Extension Partnership

Touchstone, Inc. Deploys Six Sigma

Client Profile:

Touchstone, Inc. (now called Young Touchstone Company), until a recent merger, was a privately held, locally owned and controlled manufacturer of large heat exchange units for the rail and utility industries. The company employs approximately 185 people and is located in Jackson, Tennessee. Touchstone was established in 1969 and currently occupies about 140,000 square feet of manufacturing space. Its annual sales are estimated to be \$25 million.

Situation:

Touchstone and several other companies in Jackson and the surrounding area were interested in learning and implementing the concepts of Six Sigma. None of the companies alone was large enough to bring Six Sigma Black Belt training and implementation assistance to the area, and the costs, in terms of out of pocket expenses, lost work time, and travel to traditional Six Sigma training sites was prohibitive. In search of a cost effective solution, Touchstone contacted the Tennessee Manufacturing Extension Partnership (TMEP), a NIST MEP network affiliate.

Solution:

TMEP partnered with Jackson State Community College's continuing education department to bring a formal Six Sigma training, implementation, and certification program to the Jackson area. TMEP contracted a Master Black Belt to present the training (which was hosted by the College) and provide implementation assistance. The partners also promoted the Six Sigma program to their individual and joint customers in the greater Jackson area. Touchstone was among the first group of Six Sigma Black Belt candidates enrolled in the program. The program consisted of 160 hours of formal classroom training, development of a specific project to demonstrate skills learned, hands-on implementation assistance in the successful execution of the project, validation of project results, and issuance of a Black Belt certificate.

Touchstone planned a superb Six Sigma project, obtained substantial funding for its implementation, and saw immediate and substantive results. Touchstone management invested \$1.5 million in new equipment and process improvement. This project netted an immediate direct cost savings of \$100,000 and was responsible for making the company more competitive; in a down market, Touchstone retained \$5 million in sales that otherwise may have been lost, and saved 10 jobs.

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Results:

- * Received Six Sigma Black Belt certification.
- * Invested \$1.5 million in capital equipment as part of the training project.
- * Yielded direct cost savings of \$100,000.
- * Retained \$5 million in sales.
- * Avoided 10 employee layoffs.
- * Improved competitive position.

Testimonial:

"We likely would not have been able to achieve such good results without the availability, locally, of such a fine Six Sigma program [through the Tennessee Manufacturing Extension Partnership]."

Bobby Jenkins, Area Manager/Engineer